

Message Text

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ORIGIN STR-06

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DRAFTED BY STR: J ROSENBAUM:MAW
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FM SECSTATE WASHDC
TO AMEMBASSY CANBERRA IMMEDIATE

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FROM ROSENBAUM FOR COMMERCIAL OFFICER

E.O. 11652: N/A

TAGS: AUS

SUBJECT: ORTHOPEDIC SHOES - AMBASSADOR WOLFF'S VISIT

1. PLEASE INVESTIGATE MATTER DESCRIBED IN FOLLOWING CONGRESSIONAL CORRESPONDENCE PRIOR TO AMBASSADOR WOLFF'S VISIT TO AUSTRALIA WEEK OF JANUARY 29TH. ADVISE SOONEST JON ROSENBAUM, OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS (STR) OF FINDINGS.

2. BEGIN TEXT LETTER FROM CONGRESSMAN CONABLE TO AMBASSADOR STRAUSS DATED DECEMBER 14, 1977 QUOTE. DEAR BOB: RECENTLY I WAS CONTACTED BY MR. HENRY W. MINOR, THE PRESIDENT OF P. W. MINOR AND SON, INC., A COMPANY IN BATAVIA, NEW YORK THAT MANUFACTURES ORTHOPEDIC SHOES.

3. IN 1975, AUSTRALIAN CUSTOMS IMPROPERLY RATED THOSE SHOES AS "NON-ORTHOPEDIC" AND SUBJECTED THEM TO AN IMPORT DUTY OF APPROXIMATELY THIRTY-FIVE PERCENT. RECENTLY THE ROYAL AUSTRALIAN COLLEGE OF SURGEONS DETERMINED THAT THOSE
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SHOES WERE IN FACT ORTHOPEDIC AND NOTIFIED AUSTRALIAN CUSTOMS OF THEIR FINDINGS. HOWEVER, AUSTRALIAN CUSTOMS HAS NOW APPEALED THOSE FINDINGS, AND THE IMPORT DUTY ON THE COMPANY'S FOOTWEAR CONTINUES.

4. I HAVE ENCLOSED A COPY OF SOME CORRESPONDENCE I RECEIVED FROM MR. MINOR WHICH FURTHER OUTLINES THE DETAILS

OF THIS CASE. I WOULD APPRECIATE YOUR LOOKING INTO THIS MATTER AND TAKING ANY APPROPRIATE ACTION TO AID IN RELIEVING MR. MINOR'S COMPANY OF THIS IMPORT DUTY. END TEXT END QUOTE.

5. BEGIN TEXT LETTER FROM HENRY H. MINOR, PRESIDENT TO DR. SIDNEY HARMAN DATED NOVEMBER 1, 1977 QUOTE. DEAR MR. UNDERSECRETARY: AS A SHOE MANUFACTURER WE NEED YOUR ASSISTANCE. BUT I HASTEN TO ADD THAT WE ARE NOT BEING INJURED BY IMPORTS ... AND ARE NOT REQUESTING FINANCIAL NOR TECHNOLOGICAL ASSISTANCE.

6. WE ARE ONE OF VERY FEW REMAINING FAMILY OWNED DOMESTIC SHOE CORPORATIONS, AND ARE IN OUR 112TH YEAR. WE ARE THE 5TH OLDEST SHOE MANUFACTURER IN THE UNITED STATES. WE EMPLOY OVER 200 PEOPLE AND MANUFACTURE LADIES (90 PERCENT) AND MENS (10 PERCENT) ORTHOPEDIC COMFORT SHOES. WE PRODUCE APPROXIMATELY 200,000 PAIRS OF THESE SHOES ANNUALLY.

7. HERE'S OUR PROBLEM: ABOUT 5 YEARS AGO GERALD LEVY OF HEWITT, LONG ISLAND, NEW YORK MOVED TO AUSTRALIA AND SET UP A SHOE DISTRIBUTORSHIP IN SIDNEY, AUSTRALIA. WE WERE (AND ARE) HIS SOLE SUPPLIER OF WOMENS AND MENS SHOES. OUR SHOES ARE SIDLY RECOGNIZED BY MEDICAL MEN IN THIS COUNTRY AS BEING ORTHOPEDIC.

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8. INITIALLY OUR SHOES WERE RECOGNIZED AS BEING ORTHOPEDIC IN AUSTRALIA.

9. BUT AT SOME POINT IN TIME - I WOULD GUESS ABOUT 1975 - AUSTRALIAN CUSTOMS IMPROPERLY RATED THEM NON-ORTHOPEDIC AND SUBJECT TO SUBSTANTIAL IMPORT DUTY (AROUND 35 I BELIEVE).

10. THIS INCORRECT RATING GREATLY INCREASED THE COST OF OUR SHOES IN AUSTRALIA AND HAS NEGATIVELY AFFECTED OUR SHIPMENTS TO OUR AUSTRALIAN MARKET.

11. MR- LEVY HAS MADE EVERY EFFORT TO HAVE THE SHOES RESTORED TO THE PROPER RATING CATEGORY OF "ORTHOPEDIC FOOTWEAR".

12. RECENTLY AFTER MUCH INVESTIGATION, THE ROYAL AUSTRALIAN COLLEGE OF SURGEONS DETERMINED THAT OUR SHOES WERE IN FACT ORTHOPEDIC AND NOTIFIED AUSTRALIAN CUSTOMS OF THEIR FINDINGS.

13. BUT, AUSTRALIAN CUSTOMS HAS NOW APPEALED THESE FIND-

INGS, AND THE UNFAIR DUTY ON OUR SHOES CONTINUES.

14. THIS ACTION ON THE PART OF AUSTRALIAN CUSTOMS IS UNFAIRLY PENALIZING OUR COMPANY BY CURBING OUR AUSTRALIAN SALES.

15. IS THERE ANYTHING THE UNITED STATES DEPARTMENT OF COMMERCE CAN DO TO RELIEVE US OF THIS DISCRIMINATORY ACTION ON THE PART OF AUSTRALIAN CUSTOMS???

16. DR. HARMAN, AT A RECENT MEETING AT THE MAYFLOWER HOTEL, YOU INDICATED THAT THE COMMERCE DEPARTMENT WANTED TO CO-OPERATE WITH THE AMERICAN FOOTWEAR INDUSTRY IN INCREASING UNITED STATES SHOE EXPORTS. YOUR ASSISTANCE
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IN ENDING THESE UNFAIR DUTIES WILL VERY DEFINITELY INCREASE OUR EXPORTS.

17. IF THERE IS MORE INFORMATION NEEDED, I WILL GLADLY DO MY BEST TO SUPPLY IT. END TEXT END QUOTE. VANCE

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